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1.0 General Report Overview

The Medicaid Contract Reconciliation and Cash Settlement (CRCS) worksheet provides a mechanism to close out the financial components of the Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Contract (contract). The worksheet will be used in evaluating any remaining financial obligations due to the Prepaid Inpatient Health Plan (PIHP) or the Michigan Department of Community Health (MDCH). The financial information reflected in the report should represent revenue and expenditures on an accrual basis of accounting through the fiscal year (FY) ending September 30th and recorded as specified in the contract.

The CRCS worksheet will be utilized in tandem with the Medicaid Contract Settlement Worksheet. The Medicaid Contract Settlement Worksheet will be utilized to identify the specialty managed care capitation payments received by the PIHP, if a forced lapse exist, the maximum Medicaid savings / Medicaid lapse and verification that prior year Medicaid savings has been utilized or has approval from the MDCH to utilize in a future fiscal year. Please refer to the instructions for the Medicaid Contract Settlement Worksheet for further details.

The CRCS worksheet summarizes the resources and expenditures associated to the contract, the disposition of funding (surplus/deficit) and the cash settlement of the contract.

2.0 Report - Due Dates

The CRCS worksheet is due

<u>Report Period</u>	<u>Report Type</u>	<u>Due Date</u>
October 1 – September 30	Projection	August 15 th
October 1 – September 30	Interim	November 10 th
October 1 – September 30	Final	February 28 th

3.0 Report Submission


3.1 Report Submitted via US Mail

This is no longer applicable. Electronic report submission required.

3.2 Report Submission – Electronic

The report should be submitted electronically to the department by the due date identified in 2.0 above at MDCH-MHSA-Contracts-MGMT@michigan.gov.

The report's file name must identify the reporting fiscal year, period covered (submission type), agency name, report title and date of submission. Example: For

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the FY 10 projection reporting package submitted from network180 for the Medicaid Contract Reconciliation and Cash Settlement report, the file name should read **FY10 PROJ network180 MEDCRCS 07-29-2010**.

Refer to the Electronic Report Submission Guidelines for report submission specifications.

4.0 Report Specific Navigation or Terminology

The CRCS worksheet includes cell shading to assist the end user with completion of the form.

Worksheet headers are shaded in light green.

Cells requiring data entry are shaded in yellow.

Cells that are formula driven and should not have data entered are not shaded.

Worksheet protection has been enabled.

Precision as displayed functionality has been enabled. As such, Excel will utilize the displayed value instead of the stored value when it recalculates formulas.

The term "Submission Type" on the worksheet refers to the reporting period. i.e., Interim, Final, Projection.

Column headings are specific to each section of the worksheet and may change from section to section. The column headings are shaded to assist in identification.

5.0 Instructions for Completion of the Report

The PIHP name, Fiscal Year, Submission Type and Submission Date have been brought forward from the FSR – Medicaid.

5.1 Section 1 – Medicaid Services – Available Resources

This section represents the available resources for the services provided and authorized in the contract.


Section 1.a – State Plan (b) (FSR A 101)

The cell is formula driven. The formula is *plus* FSR Medicaid row A 101.

Section 1.a1 – DHS Incentive Payments (b) (FSR A 101a)

The cell is formula driven. The formula is *plus* FSR Medicaid row A 101a

Section 1.a2 – Other Incentive Payments (b) (FSR A 101b)

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The cell is formula driven. The formula is *plus FSR Medicaid row A 101b*

Section 1.b – State Plan (b3) (FSR A 102)

The cell is formula driven. The formula is *plus FSR Medicaid row A 102.*

Section 1.c – Habilitation Support Waiver (c) (FSR A 103)

The cell is formula driven. The formula is *plus FSR Medicaid row A 103.*

Section 1.d – Total Managed Care Capitation

This cell represents the total of Specialty Managed Care capitation authorized in the contract with the MDCH. This cell is formula driven. The formula is *the sum of State Plan (b) (1.a), DHS Incentive Payments (b),(1.a1), Other Incentive Payments (b) 1.a2, State Plan (b3) (1.b) and Habilitation Support Waiver (c) (1.c).*

Section 1.e – 1st & 3rd Party Collections (FSR A 121)

The CMHSP is the payer of last resort and has the responsibility to identify and seek recovery from all other parties for services provided to recipients. This cell represents the funding available from 1st and 3rd party collections that are not included in the Special Fund Account authorized in Section 226a (PA 423) of the Mental Health Code (MHC) that was utilized to fund specialty managed care services at the PIHP The cell is formula driven. The formula is *plus FSR Medicaid row A 121.*

Section 1.f – Prior Year Medicaid Savings (FSR A 123)

This cell represents the amount of earned Medicaid savings from prior FY(s) that is being utilized to fund current FY expenditures. The cell is formula driven. The formula is *plus FSR Medicaid row A 123.*

Section 1.g – ISF Abatement – Medicaid (FSR A 124)


This cell represents the amount of ISF abatement that is being utilized in support of current year specialty managed care service expenditures due to over funding of the Internal Service Fund. The cell is formula driven. The formula is *plus FSR Medicaid row A 124.*

Section 1.h – Redirected CMHSP to CMHSP Contracts (FSR A 302)

This cell represents the amount of funding available from the CMHSP to CMHSP Contracts utilized in support of current year specialty managed care service expenditures. Any surplus funding from CMHSP to CMHSP contracts entered here must be associated to consumers who are Medicaid eligible. The cell is formula driven. The formula is *plus FSR Medicaid row A 302.*

Section 1.i – Redirected Non-MDCH Earned Contracts (FSR A 303)

This cell represents the amount of funding available from the Non-MDCH Earned Contracts utilized in support of current year specialty managed care service expenditures. Any surplus funding from Non-MDCH Earned Contracts entered here must be associated to consumers who are Medicaid eligible. The cell is formula driven. The formula is *plus FSR Medicaid row A 303.*

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Section 1.j – Sub-Total Other Medicaid Services - Resources

This cell represents the sub-total of other Medicaid services resources available to fund current year expenditures. This cell is formula driven. The formula is the *sum of 1st & 3rd Party Collections (1.e), Prior Year Medicaid Savings (1.f), ISF Abatement – Medicaid (1.g), Redirected CMHSP to CMHSP Contracts (1.h) and Redirected Non-MDCH Earned Contracts (1.i).*

Section 1.k – Total Medicaid Services – Available Resources

This cell represents the total Medicaid services resources available to fund current year expenditures. This cell is formula driven. The formula is *plus Total Managed Care Capitation (1.d) plus Sub-Total Other Medicaid Services - Resources (1.j).*

5.2 Section 2 – Medicaid Services – Expenditures

This section represents the expenditures for services provided and authorized in the contract for the fiscal year being settled

Section 2.a – PIHP USE/HICA Tax (FSR A 201)

This cell represents the amount of USE/HICA tax expenditures. The cell is formula driven. The formula is *plus FSR Medicaid row A 201.*

Section 2.b – Medicaid Services (FSR A 202 – A 122 – A 325))

This cell represents the amount of expenditures related to Medicaid consumers as authorized in Part II, Section 2.0 - Supports and Services of the contract. The cell is formula driven. The formula is *plus FSR Medicaid row A 202 – Medicaid Services less A 122 – 1st & 3rd Party Collections – Medicare/Medicaid Consumers – Affiliate less A 325 Info Only – Affiliate Total Redirected Funds.* Basically, the calculation removes affiliate costs from the total Medicaid Services costs. The result would leave for Contract Reconciliation and Cash Settlement, only those costs contained in the PIHP general ledger.

Section 2.c – Deposits into Medicaid ISF (FSR A 203)


This cell represents the amount of expenditures related to a contribution (deposit) to the Medicaid ISF. All deposits into the ISF must meet the criteria established in the ISF Technical Requirement of the contract. The cell is formula driven. The formula is *plus FSR Medicaid row A 204.*

Section 2.d – Psych Hospital HRA (FSR A.204)

This cell represents the amount of Psych Hospital HRA expenditures. The cell is formula driven. The formula is *plus FSR Medicaid row A 204.*

Section 2.e – Sub-Total Medicaid Services – Expenditures

This cell represents the total non-redirected Medicaid specialty managed care services expenditures. This cell is formula driven. The formula is the *sum of PIHP*

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USE/HICA Tax Liability (2.a), Medicaid Services (2.b), Deposits into Medicaid ISF (2.c) and Psych Hospital HRA (2.d).

Section 2.f – Redirected CMHSP to CMHSP Contracts (FSR A 301)

This cell represents the amount of expenditures where Medicaid funds are being utilized to supplement the cost of services under CMHSP to CMHSP contracts. All expenditures entered here must be associated to consumers who are Medicaid eligible. The cell is formula driven. The formula is *less FSR Medicaid row A 301*.

Section 2.g – Total Medicaid Services - Expenditures

This cell represents the total Medicaid specialty managed care services expenditures. This cell is formula driven. The formula is the *Sub-Total Medicaid Services – Expenditures (2.d) plus Redirected CMHSP to CMHSP Contracts (2.e)*.

5.3 Section 3 – Net Medicaid Services Surplus / (Deficit)

This section calculates the variance between the Total Medicaid Services – Available Resources and the Total Medicaid Services – Expenditures to determine whether there is a contract surplus / deficit. The amount of forced lapse is then applied to calculate the net Medicaid contract surplus or deficit.

Section 3.a – Medicaid Funding Surplus / (Deficit)

This cell represents the difference between available resources and expenditures. The result indicates whether there is a funding surplus or deficit. The cell is formula driven. The formula is *plus Total Medicaid Services – Available Resources (1.k) less Total Medicaid Services – Expenditures (2.f)*.

Section 3.b – Less: Forced Lapse to MDCH


This cell represents the amount that must be lapsed back to the MDCH. Typically, forced lapse represents unspent funding provided to the PIHP by the MDCH for a specific purpose, project, and/or target population. The cell is formula driven. The formula is *plus Medicaid Contract Settlement Worksheet Section 2.a, amount column*. The amount of forced lapse will be displayed as a negative amount.

Section 3.c – Net Medicaid Services Surplus / (Deficit)

This cell represents the net Medicaid surplus or deficit after taking into consideration the available resources, expenditures and the forced lapse amount. The cell is formula driven. The formula is *the sum of Medicaid Funding Surplus / (Deficit) (3.a) and Less: Forced Lapse to MDCH (3.b)*.

5.4 Section 4 – Disposition

This section represents the disposition of the contract surplus or contract deficit. For any contract surplus, the section will identify whether a Medicaid savings was earned and/or whether there was lapse to the MDCH. For any contract deficit, this section will identify whether the deficit was funded with general funds (requires prior approval from the MDCH), local, Stop/Loss Insurance and/or ISF funding for the PIHP portion

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of the risk corridor or from the MDCH for the State portion of the risk corridor as calculated on the Shared Risk Calculation & Risk Financing worksheet. The Shared Risk Calculation & Risk Financing worksheet assists in the determination of the PIHP and MDCH risk responsibility and financing of that risk.

Section 4.a – Surplus

This row is the label SURPLUS.

Section 4.a.1 – Transfer to Fund Balance – Medicaid Savings Earned

This cell represents the earned Medicaid savings for the current contract. The cell is formula driven. The formula is *less Medicaid Contract Settlement Worksheet, Section 3.b.6, Medicaid Savings column*. The amount of the transfer to fund balance will be displayed as a negative; thus showing how the PIHP is disposing of the “positive” surplus identified on 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.a.2 – Lapse to MDCH – Contract Settlement

This cell represents the contract settlement lapse to the MDCH. The cell is formula driven. The formula is *less Medicaid Contract Settlement Worksheet, Section 3.b.6, Medicaid Lapse column*. The amount of the lapse to the MDCH will be displayed as a negative; thus showing how the CMHSP is disposing of the “positive” surplus identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.a.3 – Total Disposition – Surplus

This cell is formula driven. The result indicates the total amount of Medicaid surplus that the PIHP had to account for. The amount will be displayed as a negative; thus showing how the PIHP is disposing of the “positive” surplus identified in Section 3.c – Net Medicaid Services Surplus / (Deficit). The Net Medicaid Surplus identified in Section 3.c should be offset by the amount displayed in this cell. The formula is *plus Transfer to Fund Balance – Medicaid Savings Earned (4.a.1) plus Lapse to MDCH – Contract Settlement (4.a.2)*.

Section 4.b – Deficit


This row is the label Deficit.

Section 4.b.1 – Redirected from General Fund (FSR A 331)

This cell represents the amount of redirected General Funds (GF) expenditures to fund all or a portion of the Net Medicaid Services Deficit identified in Section 3.c. This amount must have prior approval from the MDCH as part of the PIHP's risk management plan. The cell is formula driven. The formula is *plus FSR Medicaid row A 331*.

The amount of funds redirected from GF should be entered as a positive number; thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.b.2 – Redirected from Local (FSR A 332)

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This cell represents the amount of local funds being utilized to fund all or a portion of the Net Medicaid Services Deficit identified in Section 3.c. The cell is formula driven. The formula is *plus FSR Medicaid row A 332*.

The amount of funds redirected from local should be entered as a positive number; thus showing how the CMHSP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.b.3 – Redirected Risk Corridor – PIHP Share (FSR A 333)

This cell represents the amount of Stop/Loss Insurance and/or ISF funds being utilized to fund all or a portion of the Net Medicaid Services Deficit identified in Section 3.c. The cell is formula driven. The formula is *plus FSR Medicaid row A 333*.

The amount of ISF funds utilized should be entered as a positive number; thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.b.4 – Redirected Risk Corridor – MDCH Share (FSR A 334)

This cell represents the amount of MDCH funds being utilized to fund the MDCH share of the Net Medicaid Services Deficit identified in Section 3.c. The cell is formula driven. The formula is *plus FSR Medicaid row A 334*.

The amount of the MDCH risk corridor funds utilized should be entered as a positive number, thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit).

Section 4.b.5 – Total Disposition – Deficit


This cell is formula driven. The result indicates the total amount of Medicaid deficit that the PIHP had to account for. The amount will be displayed as a positive; thus showing how the PIHP is disposing of the “negative” deficit identified in Section 3.c – Net Medicaid Services Surplus / (Deficit). The Net Medicaid Deficit identified in Section 3.c should be offset by the amount displayed in this cell. The formula is the *sum of Redirected from General Fund (4.b.1), Redirected from Local (4.b.2), Redirected Risk Corridor – PIHP Share (4.b.3) and Redirected Risk Corridor – MDCH Share (4.b.4)*.

5.5 Section 5 – Cash Settlement: (Due MDCH) / Due PIHP

This section identifies cash due the MDCH or the PIHP.

Section 5.a – Forced Lapse to MDCH

The amount in this cell represents the forced lapse to the MDCH. This cell is formula driven. The formula is *plus Less: Forced Lapse to MDCH (Section 3.b)*.

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Section 5.b – Lapse to MDCH – Contract Settlement

The amount in this cell represents the lapse to the MDCH based on the contract settlement. This cell is formula driven. The formula is plus *Lapse to MDCH – Contract Settlement (Section 4.a.2)*.

Section 5.c – Risk Corridor – MDCH Share

The amount in this cell represents the funds due the PIHP for the MDCH share of the risk corridor. The cell is formula driven. The formula is *plus Redirected Risk Corridor – MDCH Share (4.b.4)*.

Section 5.d – Return of Prior Year Medicaid Savings

The Medicaid contract - Section 7.7.2 – Savings and Reinvestment outlines the contractual provisions regarding Medicaid savings. Typically any earned Medicaid Savings from the prior FY unexpended at the end of the fiscal year must be returned to the MDCH. However, if a final MDCH audit report creates new Medicaid savings, the PIHP will have one year following the date of the final audit report to expend the additional Medicaid savings.

If for any reason the earned Medicaid savings was not utilized and the PIHP does not have the MDCH approval to retain, enter the amount of Medicaid savings that must be returned to the MDCH. This amount should be entered as a negative amount.

Section 5.e – Misc: (please explain)

This row should reflect any amounts due the MDCH or the PIHP that have not been specifically addressed elsewhere in the CRCS. Enter any amount due the MDCH as a negative. Enter any amount due the PIHP as a positive.

If the narrative space available on this line is insufficient, please utilize the space available in Section 5 on the Medicaid Contract Settlement Worksheet.


Section 5.f – Misc: (please explain)

This row should reflect any amounts due the MDCH or the PIHP that have not been specifically addressed elsewhere in the CRCS. Enter any amount due the MDCH as a negative. Enter any amount due the PIHP as a positive.

If the narrative space available on this line is insufficient, please utilize the space available in Section 5 on the Medicaid Contract Settlement Worksheet.

Section 5.g – Total Cash Settlement: (Due MDCH) / Due PIHP

This section represents the total amount due the MDCH or the PIHP. The cell is formula driven. The formula is the *sum of Forced Lapse to MDCH (5.a), Lapse to MDCH – Contract Settlement (5.b), Risk Corridor – MDCH Share (5.c), Return of Prior Year Medicaid Savings (5.d) and Misc. (5.e and 5.f)*.

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5.6 Section 6 – Medicaid MDCH Commitment

This section of the report recaps the amount of funding committed by the MDCH for the FY being settled. The section is formula driven.

The formula for MDCH / PIHP Medicaid Funding Expenditures is *plus Total Managed Care Capitation (1.d), plus the negative representation of Transfer to Fund Balance – Medicaid Savings Earned (4.a.1), plus the negative representation of Forced Lapse to MDCH (3.b), plus the negative representation of Lapse to MDCH – Contract Settlement (4.a.2).*

The formula for Earned Medicaid Savings is *less the negative representation of Transfer to Fund Balance – Medicaid Savings Earned (4.a.1).*

The formula for Sub-Total MDCH Commitment is the sum of *MDCH /PIHP Medicaid Funded Expenditures and Earned Medicaid Savings.*

The formula for Risk Corridor – MDCH Share is *plus Redirected from Risk Corridor – MDCH Share (4.b.4).*

The formula for Total MDCH Commitment is *plus Sub-Total MDCH Commitment plus Risk Corridor – MDCH Share.*

The formula for General Fund Supplement for Unfunded Medicaid is *plus Redirected from General Fund (4.b.1).*